

JAPANESE GRANT AGREEMENT

Japanese Grant Agreement

(Health System Fund Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

as Administrator of Grant Funds
provided by the
GOVERNMENT OF JAPAN

Dated July 27, 1990

JAPANESE GRANT AGREEMENT

AGREEMENT, dated July 27, 1990, between FEDERAL
REPUBLIC OF NIGERIA (the Recipient) and the INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting
as Administrator (the Administrator) of grant funds
provided by the GOVERNMENT OF JAPAN (Japan).

WHEREAS: (A) pursuant to a letter agreement dated
June 3, 1987, between Japan and the Bank, Japan has
requested the Bank, and the Bank has agreed, to
administer grant funds to be made available by Japan for
the financing of certain programs and projects supported
by the Bank in accordance with the provisions of such
letter agreement;

WHEREAS: (B) the Recipient has requested and Japan
has agreed to make available to the Recipient a grant
(the Grant) out of said grant funds to finance the cost
of carrying out the technical assistance described in
Schedule 2 to this Agreement (the Technical Assistance)
on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as
follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to
Loan and Guarantee Agreements" of the Bank, dated January
1, 1985 (the General Conditions) , constitute an integral
part of this Agreement, subject, however, to the

following modifications thereto:

(a) the term "Bank," wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof, means the International Bank for Reconstruction and Development acting as Administrator of the Grant pursuant to the letter agreement between Japan and the Bank referred to in Recital (A) of this Agreement, except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;

(b) the term "Borrower" wherever used in the General Conditions, means the Recipient;

(c) the term "Loan Agreement" wherever used in the General Conditions, means this Agreement;

(d) the term "Loan" wherever used in the General Conditions, means the Grant;

(e) the term "Loan Account" wherever used in the General Conditions, shall be amended to read the Grant Account;

(f) the term "Project" wherever used in the General Conditions, means the technical assistance described in Schedule 2 to this Agreement;

(g) Section 4.01. shall be modified to read:

"Withdrawals from the Grant Account shall be made in yen; provided, however, that if the expenditures to be financed out of the proceeds of the Grant have been paid or are payable in another currency, the Administrator shall, at the request of the Recipient, purchase such currency with the proceeds of such withdrawal."

(h) Sections 2.01 (5), (7), (12), (13), (14), (15), (16), (17) and (19), 3.02, 3.03, 3.04, 3.05, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.10, 6.02 (a)(i), 6.02 (g), 6.02 (h), 6.05, 6.07, 7.01, 8.01 (a), 9.01 (b), 9.02, 9.03, 10.02, 12.01, 12.02, 12.03, 12.04 and 12.05 are deleted;

(i) The second and third sentences of Section 4.09 are deleted; and

(j) All references to "the Guarantor" wherever such term is used in the General Conditions, shall not apply to this Agreement.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth; and the terms "yen" and "Y" mean the currency of Japan.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to extend to the Recipient, on the terms and conditions herein set forth or referred to, the Grant in an amount of one hundred seventy million yen (Y170,000,000).

Section 2.02. The amount of the Grant may be withdrawn from the Grant Account in accordance with the provisions of Schedule 1 to this Agreement, as such

Schedule may be amended from time to time by agreement between the Recipient and the Administrator.

Section 2.03. The Closing Date shall be December 31, 1993, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Technical Assistance

Section 3.01. (a) The Recipient shall carry out the Technical Assistance through its Federal Ministry of Health (FMOH) with due diligence and efficiency and in conformity with appropriate administrative and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Technical Assistance.

(b) Without limitation upon the provisions of paragraph (a) of this Section and, except as the Recipient and the Administrator shall otherwise agree, the Recipient shall carry out the Technical Assistance in accordance with the Implementation Program set forth in Schedule 3 to this Agreement.

Section 3.02. In order to assist the Recipient in carrying out the Technical Assistance, the Recipient shall employ consultants whose qualifications, experience and terms and conditions of employment are satisfactory to the Administrator. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Administrator, on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Administrator in August 1981.

Section 3.03. (a) The Recipient shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Technical Assistance of the departments or agencies of the Recipient responsible for carrying out the Technical Assistance or any part thereof.

(b) The Recipient shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;
- (ii) furnish to the Administrator as soon as available, but in any case not later than four months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and
- (iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

ARTICLE IV

AND DEVELOPMENT
as Administrator of the Grant

By /s/ Edward V.K. Jaycox
Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Grant, the allocation of the amount of the Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Grant Allocated (Expressed in Yen)	% of Expenditures to be Financed
(1) Consultants' services	87,800,000	100%
(2) Office equip- ment, materials and vehicles	35,000,000	100% of foreign expenditures and 90% of local expenditures
(3) Training	17,900,000	100%
(4) Unallocated	29,300,000	
TOTAL	170,000,000	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement or for goods not eligible under this Agreement.

SCHEDULE 2

Description of Technical Assistance

The objectives of the Grant are: (a) to help complete the preparation of the subprojects to be included in the initial phase of the proposed Health System Fund Project (the proposed Project); and (b) to strengthen the capacity of FMOH, the Federal Ministry of Finance and Economic Development and the State Ministries of Health to prepare subprojects for the subsequent phases of the proposed Project, to improve health planning and to establish management information systems. The activities shall include:

A. Preparation of State subprojects

Development of subprojects to be included in the proposed Project, including the local recruitment of consultants and participation by state officials in subproject preparation and appraisal workshops and training arrangements.

B. Strengthening of FMOH

Strengthening of FMOH's Department of Planning, Research and

Statistics and the establishment of a management information system in the FMOH, including the provision of additional staff, internationally and locally recruited consultants, office equipment, vehicles and materials, staff training in order to strengthen FMOH's capacity in health planning and coordination as well as in assisting the States of Nigeria.

C. Strengthening of FMFED

Provision of office equipment materials and participation in seminars and workshops.

SCHEDULE 3

Implementation Program

1. The Department of Planning, Research and Statistics (DPRS) of FMOH shall be responsible for the implementation of the Technical Assistance.
 2. The proceeds of the Grants shall be used for activities described in Schedule 2 to this Agreement. Specific items to be financed shall be agreed upon by the Recipient and the Administrator.
 3. Unless otherwise agreed by the Administrator, DPRS shall ensure that the Project Advisor is in place not later than January 1, 1990 and a management information system advisor and a consultancy promotion advisor are in place no later than March 1, 1990.
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